

Message Text

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ACTION COME-00

INFO OCT-01 EA-10 ISO-00 EB-07 /018 W

----- 116271

R 300821Z APR 75

FM AMCONSUL HONG KONG

TO SECSTATE WASHDC 4749

INFO AMEMBASSY JAKARTA

AMEMBASSY KUALA LUMPUR

AMEMBASSY MANILA

AMEMBASSY SINGAPORE

AMEMBASSY TAIPEI

UNCLAS HONG KONG 4693

E.O. 11652: N/A

TAGS: BEXP, HK

SUBJECT: MARKET BRIEF: INDUSTRIAL AND COMMERCIAL

SECURITY DEVICES AND SYSTEMS

REF: STATE A-1742 OF 3/13/75

SUMMARY

ON BASIS OF PUBLISHED MARKET DATA, AND BRIEF SURVEY SUGGESTED
IN REFTEL, WE FEEL, WITH CERTAIN RESERVATION, THAT SUBJECT MARKET
WORTH PURSUING IN HONG KONG AND THAT AT LEAST SOME USERS, AGENTS
AND DISTRIBUTORS WOULD ATTEND SINGAPORE SHOW.

END SUMMARY

1. SIZE OF MARKET: (IN HK\$1,000S)

S.I.T.C. 1971 1972 1973 1974

A. 698110 - LOCKS, PADLOCKS AND KEYS OF BASE METALS

IMPORTS 16,339 20,818 27,285 28,920

DOM. PRODUCT.# 70,458 87,560 106,090 129,797

DOM. EXPORTS 54,253 67,421 81,689 99,944

RE-EXPORTS 6,709 8,634 13,847 17,865

CONSUMPTION 25,835 32,323 37,839 40,908

B. 698120 - BASE METAL FITTINGS AND MOUNTINGS

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FOR DOORS, FURNITURE, ETC.

IMPORTS	10,529	12,587	18,903	19,754
DOM. PRODUCT.#	21,418	25,988	31,000	37,000
DOM. EXPORTS	10,923	13,254	18,571	24,134
RE-EXPORTS	2,700	2,732	4,788	5,624
CONSUMPTION	18,324	22,589	26,544	26,996

C. 698201 - STRONG BOXES

IMPORTS	560	942	1,320	1,120
DOM. PRODUCT.#	300	375	500	750
DOM. EXPORTS	17	155	47	708
RE-EXPORTS	4	8	8	5
CONSUMPTION	839	1,154	1,765	1,157

D. 698202 - SAFE

IMPORTS	617	1,691	2,598	3,598
DOM. PRODUCT.#	241	265	270	330
DOM. EXPORTS	123	135	68	312
RE-EXPORTS	27	151	585	57
CONSUMPTION	708	1,670	2,215	3,559

E. 698203 - STRONG ROOMS AND FITTINGS

IMPORTS	7,666	9,238	14,143	15,551
DOM. PRODUCTION#	20	20	20	20
DOM. EXPORTS	10	13	3	0
RE-EXPORTS	0	0	6	0
CONSUMPTION	7,676	9,245	14,160	15,571

F. 724999 - TELECOMMUNICATIONS EQPT., N.E.S.

IMPORTS	1,958	13,750	20,801	15,405
DOM. PROD.#	150	1,800	1,800	1,800
EXPORTS	132	531	1,374	1,003
RE-EXPORTS	2,038	1,520	1,483	2,268
CONSUMPTION	9,938	13,499	19,744	13,934

G. 729940 - ELECTRICAL SIGNALLING APPARATUS

IMPORTS	1,904	2,166	2,754	3,684
DOM. PROD.	7,645	8,579	9,000	10,000
EXPORTS	4,052	4,547	6,676	6,547
RE-EXPORTS	40	56	131	237
CONSUMPTION	5,457	6,142	4,947	6,900
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TOTALS

IMPORTS	49,573	61,192	87,804	88,034
PRODUCTION#	100,232	124,587	148,680	179,697
EXPORTS	69,509	86,055	108,429	132,648
RE-EXPORTS	11,518	13,101	20,849	26,056
CONSUMPTION	68,778	86,623	107,206	109,027

AVERAGE RATES OF EXCHANGE:

US\$1.00 EQUAL 5.955 5.638 5.141 5.038

#PRODUCTION ESTIMATED ON BASIS OF 1971 CENSUS SURVEY AND
INTERVIEW DATA FROM RESPONDENTS.

RESPONDENTS INDICATED THAT GROWTH IN UNIT SALES WAS FLAT AND INCREASES IN VALUE REFLECTED INFLATION. UNIT SALES SHOULD CONTINUE AT ABOUT THE 1974 LEVEL OR SLIGHTLY LOWER FOR THE NEXT YEAR OR TWO. CONSTRUCTION HAS FALLEN TO A LOW LEVEL AND MOST SALES ARE FOR INSTALLATION IN EXISTING PREMISES. SALES SHOULD SHOW SUBSTANTIAL GROWTH (10-15 PERCENT) BEGINNING IN 1977 IN LINE WITH PROJECTED REVIVAL IN NEW CONSTRUCTION.

2. ALTHOUGH SURVEY SHOWS MARKET KEENLY COMPETITIVE, THERE IS POTENTIAL FOR INCREMENTAL SALES OF MORE HIGHLY SOPHISTICATED U.S. ALARM SYSTEMS SUCH AS ULTRASONIC, INFRARED AND LASER ACTIVATED PERIMETER CONTROL SYSTEMS, AND AUTOMATIC DIALING DEVICES WHICH CALL DISTANT GUARD SERVICES OR POLICE. FURTHER INSTALLATION OF DIRECT ALARMS TO HONG KONG POLICE ARE NOW PROHIBITED BECAUSE OF SPACE USED UP BY CENTRAL CONTROL BOXES AND PROBLEM WITH FALSE ALARMS. DIALLED CALLS TO THE 999 EMERGENCY NUMBER BY AUTOMATIC DEVICES ARE, HOWEVER, STILL PERMISSIBLE. U.S. CLOSED CIRCUIT TELEVISION ENJOYS GOOD REPUTATION BUT RESPONDENTS ALL INDICATED THAT JAPANESE EQUIPMENT NOW DOMINATES LOCALLY. A STRONGER EFFORT BY U.S. FIRMS WOULD PROBABLY RESULT IN MUCH BETTER SALES. NEW OFFICE BUILDINGS ARE BEING BUILT WITH INTEGRAL WHOLE BUILDING SECURITY SYSTEMS WITH COMPUTERIZED CONTROLLING DEVICES. TWO MOST RECENT SUCH CONTRACTS WENT TO JAPANESE FIRMS. U.S. HAS ABOUT 9 PERCENT OF OVERALL IMPORT MARKET AT PRESENT.

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3. MAJOR COMPETITORS ARE (1) JAPAN (2) CHINA (3) U.K. WHERE INDUSTRY STANDARDS ARE SPECIFIED OR REQUIRED, BRITISH STANDARDS RATHER THAN UL USUALLY PREVAIL. JAPAN HAS ABOUT 1/3 OF IMPORT MARKET, DOMINATING IN STRONG ROOMS AND DOOR HARDWARE AND STRONG IN LOCKS AND KEYS. CHINA HAS OVER A QUARTER OF IMPORT MARKET, MAINLY LOCKS AND DOOR HARDWARE. U.K. WITH ABOUT 18 PERCENT IS STRONG ACROSS THE BOARD.

4. DOMESTIC COMPETITION VERY STRONG IN ALL LINES EXCEPT LARGE BANK VAULTS AND DOORS AND MORE SOPHISTICATED ALARM SYSTEMS. NO KNOWN DOMESTIC PRODUCTION OF CLOSED CIRCUIT TELEVISION.

5. OF EIGHT FIRMS AND ONE POLICE AGENCY INTERVIEWED, THREE

FIRMS AND THE POLICE EXPRESSED INTEREST IN ATTENDING THE SECURITY SHOW IN SINGAPORE AND ASKED TO BE KEPT INFORMED.

6. WE WILL POUCH MAILING LIST OF ABOUT 50 PRIME AGENT,
DISTRIBUTOR AND USER PROSPECTS FOR PROMOTION BY TRADE
CENTER.
CROSS

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